

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF MIKE) APPEAL NO. 07-A-2192
BELL from the decision of the Board of) FINAL DECISION
Equalization of Bannock County for tax year 2007.) AND ORDER

VACANT LAND APPEAL

THIS MATTER came on for hearing October 9, 2007 in Pocatello, Idaho before Board Member David E. Kinghorn. Board Members Lyle R. Cobbs and Linda S. Pike participated in this decision. Appellant Mike Bell submitted evidence in writing. Chief Deputy Assessor Crickett Hawkins and Appraiser Jefferson Hunt appeared for Respondent Bannock County. This appeal is taken from a decision of the Bannock County Board of Equalization denying the protest of the valuation for taxing purposes of property described as Parcel No. RRS GP017500.

The issue on appeal is the market value of a vacant lot.

The decision of the Bannock County Board of Equalization is reversed.

FINDINGS OF FACT

The assessed land value is \$1,000. Appellant requests the land value be reduced to \$500. Appellant did not appear at hearing, however, amended the value claim in writing to \$250. The subject property is .17 acres located in Sunnygate Park Subdivision near Inkom, Idaho.

It was noted lots in subject's subdivision have been owned by Bannock County for years.

Appellant received an offer in writing from a willing buyer for \$0-\$250, which was submitted into the record.

The County explained subject was valued with what is known as a “token value” and declared “A token value should reflect a fair assessment of the property. Usually these parcels are not actively bought and sold because of the specific problems with the property. Many token properties have a combination of problems and issues.”

The County maintained subject, along with 311 other lots in subject’s subdivision are unbuildable because of septic drainfield requirements.

The Respondent presented the only known sales in subject’s subdivision. One lot sold for \$500, and the other sold for \$1,200. Both sales took place in March 2007. No other details were presented regarding the sales.

Respondent explained the determination of assessed values in subjects subdivision as follows: “in being fair to Bannock County, hopefully the dollar collected from taxes covers the expenses incurred from assessing, collecting, holding and maintain property records. It was recommended the Board sustain the \$1,000 assessed value for the reasons that subject’s market value is supported by sales, and will also cover the expenses incurred by the County, to uphold its responsibilities under the State Law.”

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

Idaho Code § 63-201(10) defines market value:

“Market value” means the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing

seller, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

Appellant's evidence, an offer to purchase subject for \$0-\$250 offered an indication of subject's market value. Offers are not typically considered good market value evidence, however, in the absence of timely sales information, can be considered.

In determining market value for tax assessments Idaho Code § 63-205(1) states:

All real, personal and operating property subject to property taxation must be assessed annually at market value for assessment purposes as of 12:01 a.m. of the first day in the year in which such property taxes are levied, except as otherwise provided.

Respondent maintained subject assessment was based on sales, however the sales were beyond the January 1, 2007 lien date and therefore cannot be considered.

The Board finds the assessed value of the subject vacant lot is not supported.

Based on the information in the record, we find it more probable than not that subject property is valued in excess of market value.

The Board therefore reverses the decision of the Bannock County Board of Equalization to reflect a decrease in the assessed land value to \$250.

IT IS FURTHER ORDERED that any taxes which have been paid in excess of those determined to have been due be refunded or applied against other *ad valorem* taxes due from Appellant.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Bannock County Board of Equalization concerning the subject parcel be, and the same

hereby is, reversed.

MAILED April 30, 2008